

SONOMA COUNTY WATER AGENCY

WATER TRANSMISSION

FY 01-02 BUDGET REQUEST

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WATER TRANSMISSION

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FY 2001-02 BUDGET

BUDGET DIVISION SUMMARY

Section Title:

WATER TRANSMISSION SYSTEM

A. Program Description

This section includes the operations and maintenance (O&M), construction projects and debt service obligations related to the Agency's Water Transmission System.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST / USE OF FUND BALANCE		
	FY 00-01 Adopted	FY 01-02 Requested	Percent Change	FY 00-01 Adopted	FY 01-02 Requested	Percent Change
Water Transmission System	\$23,548,561	\$29,501,098	25.28%	\$5,806,061	\$8,692,848	49.72%
SR Aqueduct Capital Fund	0	0	N/A	(440,700)	(481,000)	9.14%
Petaluma Aq. Capital Fund	0	0	N/A	(478,500)	(348,500)	(27.17%)
Forestville Aq. Capital Fund	0	0	N/A	(675)	(765)	13.33%
Sonoma Aq. Capital Fund	0	0	N/A	(75,000)	(80,450)	7.27%
1971 Water Rev Bonds-93A	598,669	137,856	(76.97%)	(1,019,056)	(1,558,369)	52.92%
1971 Water Rev Bonds-94A	141,211	0	(100.00%)	129,961	0	(100.00%)
Storage Facilities	7,088,000	2,802,500	(60.46%)	6,407,613	789,000	(87.69%)
Pipeline Facilities	25,000	0	(100.00%)	23,875	(2,250)	(109.42%)
Common Facilities	20,814,520	12,957,800	(37.75%)	18,529,956	8,537,800	(53.92%)
North Marin Water Deposit	158,760	341,098	114.85%	0	0	N/A
TOTAL:	\$52,374,721	\$45,740,352	(12.67%)	\$28,883,535	\$15,548,314	(46.17%)

C. Staffing Summary

No staffing is allocated to indexes within this section. Refer to the Administration and General Section.

D. Workload Summary

Refer to the individual sections for information regarding work performed.

E. Summary of Issues and Significant Changes

Refer to the Departmental Budget Summary for a summary of issues and significant changes.

FY 2001-02 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: WATER TRANSMISSION

Section/Index No: 675108

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$382,500	\$210,250	(\$172,250)	(45.03%)
1760 Investment Income	240,000	75,000	(165,000)	(68.75%)
Subtotal Use of Money	\$622,500	\$285,250	(\$337,250)	(54.18%)
<u>CHARGES FOR SERVICES</u>				
3666 Meter Service / Installation	\$25,000	\$25,000	\$0	0.00%
Subtotal Charges for Service	\$25,000	\$25,000	\$0	0.00%
<u>MISCELLANEOUS REVENUES</u>				
4034 Sale - Water Irrigation	\$140,000	\$149,000	\$9,000	6.43%
4035 Sale - Water Resale	16,500,000	19,743,000	3,243,000	19.65%
4036 Sale - Water Government	5,000	6,000	1,000	20.00%
4039 Sale - Power	450,000	600,000	150,000	33.33%
Subtotal Miscellaneous Revenues	\$17,095,000	\$20,498,000	\$3,403,000	19.91%
TOTAL REVENUES	\$17,742,500	\$20,808,250	\$3,065,750	17.28%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	32,500	35,000	2,500	7.69%
6080 Household Expense	0	0	0	N/A
6140 Maintenance - Equipment	30,000	40,000	10,000	33.33%
6180 Maintenance - Buildings	4,093,700	2,985,000	(1,108,700)	(27.08%)
6262 Laboratory Supplies	82,000	80,000	(2,000)	(2.44%)
6280 Memberships	90,000	75,000	(15,000)	(16.67%)
6461 Supplies / Expenses	50,000	75,000	25,000	50.00%
6512 Testing / Analysis	75,000	125,000	50,000	66.67%
6522 District Services	5,608,000	6,000,000	392,000	6.99%
6553 Contract - Security Services	35,000	30,000	(5,000)	(14.29%)
6570 Consultant Services	50,000	315,000	265,000	530.00%
6610 Legal Services	250,000	250,000	0	0.00%
6635 Fiscal Agent Fees	0	0	0	N/A
6654 Medical Examinations	5,000	5,000	0	0.00%

SUMMARY OF REVENUES AND EXPENDITURES

Index No.: 675108

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
<u>SERVICES AND SUPPLIES (Continued)</u>				
6800 Public / Legal Notices	1,500	1,000	(500)	(33.33%)
6820 Rents and Leases - Equipment	5,000	25,000	20,000	400.00%
6880 Small Tools - Instruments	75,000	75,000	0	0.00%
6889 Software	30,000	30,000	0	0.00%
7052 Out of State Use Tax	5,000	7,000	2,000	40.00%
7201 Gas / Oil	40,000	40,000	0	0.00%
7206 Equipment Usage Charge	450,000	550,000	100,000	22.22%
7212 Chlorine Chemical / Recorder	400,000	450,000	50,000	12.50%
7217 State Permits / Fees	25,000	25,000	0	0.00%
7247 Water Conservation Program	2,601,861	2,000,000	(601,861)	(23.13%)
7277 Recycled Water Use Prog	1,300,000	1,000,000	(300,000)	(23.08%)
7296 FERC Fees / Costs	10,000	10,000	0	0.00%
7301 County Car Expense	0	0	0	N/A
7302 Travel Expense	10,000	8,000	(2,000)	(20.00%)
7303 Private Car Expense	4,000	4,000	0	0.00%
7320 Utilities	10,000	10,000	0	0.00%
7394 Power	2,850,000	5,500,000	2,650,000	92.98%
Subtotal Services and Supplies	\$18,218,561	\$19,750,000	\$1,531,439	8.41%
<u>OTHER CHARGES</u>				
7980 Depreciation	\$2,500,000	\$2,500,000	\$0	0.00%
8010 Contribution to Non-County	\$55,000	\$70,000	\$15,000	27.27%
Subtotal Other Charges	\$2,555,000	\$2,570,000	\$15,000	0.59%
<u>FIXED ASSETS</u>				
8510 Buildings / Improvements	\$160,000	\$160,000	\$0	0.00%
8533 SCWA - New Metered Service	25,000	25,000	0	0.00%
8560 Equipment	90,000	70,000	(20,000)	(22.22%)
8573 Mobile Equipment	0	0	0	N/A
Subtotal Fixed Assets	\$275,000	\$255,000	(\$20,000)	(7.27%)
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$2,200,000	\$6,626,098	\$4,426,098	201.19%
Subtotal Other Financing Uses	\$2,200,000	\$6,626,098	\$4,426,098	201.19%
<u>APPROPRIATIONS FOR CONTIN.</u>				
9000 Appropriations for Contingencies	\$300,000	\$300,000	\$0	0.00%
Subtotal Approp. for Contingencies	\$300,000	\$300,000	\$0	0.00%
TOTAL EXPENDITURES	\$23,548,561	\$29,501,098	\$5,952,537	25.28%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$5,806,061	\$8,692,848	\$2,886,787	49.72%

FY 2001-02 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Water Transmission

Section Title: Water Transmission

Character Title: Use of Money and Property

Character No.: 675108-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	4,672,250
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	<u>\$210,250</u>

1760 Investment Income

Investment Income represents amounts earned on water sales revenue deposited with the Bond Trustee during the year.

Character Title: Charges for Service

Character No.: 675108-30

3666 Meter Service / Installation

This item reflects revenue received for installation of water meters. Actual revenues fluctuate from year to year based on requests for service. Expenditures associated with meter installation are budgeted in 675108-8533, SCWA - New Metered Service. No increase is requested.

Character Title: Miscellaneous Revenues

Character No.: 675108-40

4034 Sale - Water Irrigation

The increase in water sales revenue is the net result of increased water deliveries and moderate increases in the water rates.

4035 Sale - Water Resale

The increase in water sales revenue is the result of increased water deliveries and moderate increases in the water rates.

4036 Sale - Water Government

The increase in water sales revenue is the result of increased water deliveries and moderate increases in the water rates.

4039 Sale - Power

This item records revenue from the sale of power.

Character:

Services and Supplies

Character No.:

675108-60

6040 Communications

PCAS No.

This item is requested to provide funds for communication costs for radio, telephone and data line charges.

6180 Maintenance - Buildings

PCAS No. Various

This item is requested to provide funds for the maintenance of the pumping, storage, pipeline and hydro-electric facilities. Details furnished below.

DESCRIPTION	PCAS No.	Adopted FY 00-01	Requested FY 01-02
12 kV Power Line Replacement Parts	3673	5,000	
36" CMP Replacement at RR chlorine Bldg		10,000	
Annual Calibration of Electrical Equipment		10,000	10,000
Anodes for Aqueducts	613	50,000	50,000
Booster & RDS - Spare Contactors			150,000
Cathodic Protection (Cotati Reservoir 1)	3665	50,000	
Cathodic Protection (Eldridge Reservoir 2)	3666	50,000	
Cathodic Protection (Ralphine 1)	3299	50,000	
Cathodic Protection Study			50,000
Caustic Soda Metering Pump Parts		6,000	5,000
Caustic Soda Metering Pump (Spare)			20,000
Chlorine Parts and Detectors		62,000	65,000
Cotati Tank # 2 Recoat			100,000
Ely Booster Station Triennial Overhaul		20,000	30,000
Emergency Well Cathodic Protection		50,000	
Hoist Certifications		5,000	20,000
Impellers		15,000	
Kastania 16" Mag Meter Replacement (3each)		35,000	35,000
Kawana Booster Stn. Landscape Maint.		5,000	
Kawana Tank - Telemetry Equipment		25,000	25,000
Mainline Meters			70,000
Mirabel Diversion Motor Starter Upgrade	3671	25,000	25,000
Mirabel Transformer Spares			60,000
O&M Welding Shop Electrical Modifications		10,000	
Oil Cooler for Pump Motors in Caissons 1- 5		24,000	15,000
Overhaul Caisson Pumps & Motors		100,000	125,000
Paint Mirabel Collectors 3, 4 & 5	3171	30,000	150,000
pH/Chlorine Analyzer - Spare		6,000	5,000
Pond 5 Development		170,000	50,000
Pond Maintenance			170,000
Pumphouse 3, 4 - Contactor Replacement			100,000
Recoat Ralphine Reservoir #2	3524	20,000	
Recoat Ralphine Reservoir #3	3725	1,540,000	20,000
Routine & Unscheduled Maintenance		190,000	150,000
Sonoma Booster #1 - Motor Feeder Mods	3693	71,200	75,000
Sonoma Booster #1 - Elect. Serv. Upgrade	3715	370,000	500,000
Sonoma Booster #1 1 - Pump, Motor, Valve Repl.			350,000
Sonoma Booster Triennial Overhaul		10,000	10,000

Character:

Services and Supplies (continued)

Character No.:

675108-60

DESCRIPTION	PCAS No.	Adopted FY 00-01	Requested FY 01-02
Tank Level Battery Backups		10,000	5,000
Todd Road Well - Telemetry Equipment		25,000	
Telemetry System Replacement	3146	200,000	200,000
Warm Springs Dam Battery Replacement	3695	35,000	35,000
Warm Springs Dam Control Mods			135,000
Warm Springs Dam Flow Meter	3474	25,000	25,000
Warm Springs Dam Protective Relay		2,500	5,000
Water System Instrument Spares		25,000	15,000
Wilfred Booster Station Flow Meter		10,000	
Wilfred Booster Station Triennial Overhaul		20,000	20,000
Wilfred Switchgear Upgrade		500,000	
Wohler Meter Mods			50,000
Wohler & Mirabel 12 KV Transformer Maintenance		12,000	25,000
Wohler & Mirabel Meter Modifications	3170	110,000	
Wohler Chlorinator Replacement		10,000	10,000
Wohler Sand Separators		80,000	
Wohler & Mirabel Switchgear Maintenance		15,000	25,000
6180 Total		4,093,700	2,985,000

6262 Laboratory Supplies / Expenses

PCAS No. 609-2, 609-5, 3288

This account records expenses for supplies and expenses associated with the laboratory.

6280 Memberships

This account records expenses for memberships to professional organizations.

6461 Supplies / Expenses

PCAS No. 702, 3288

This account records expenses for routine office supplies and expenses.

6512 Testing / Analysis

PCAS No. 609-2, 3288

This account records expenses incurred to comply with all regulatory testing requirements.

6522 District Services

PCAS No. Various

This item is requested to provide funds for the charging of salaries, benefits and overhead costs for staff assigned to the water transmission system. The amount requested reflects anticipated salary increases for FY 01-02. This item also covers necessary service contracts for maintenance of Water Transmission System Facilities.

6553 Contract - Security Services

This item is requested to provide funds to contract for outside security services to patrol Agency facilities at Wohler and Mirabel.

6570 Consultant Services

PCAS No. Various

This item covers the costs of services provided by outside consultants. This item fluctuates based on the Agency's need and workload.

6610 Legal Services

PCAS No. Various

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel or outside legal services, as required.

Character: Services and Supplies (continued)

Character No.: 675108-60

6654 Medical Exams

This item is requested to provide funds for medical exams for personnel required to have special drivers

licenses or those exposed to hazardous materials. The budget allows for medical costs which may be incurred with the implementation of the Department of Transportation Drug and Alcohol regulations. No change is requested.

6800 Public / Legal Notices

This item is requested to provide funds for publishing notices required by law.

6820 Rents and Leases - Equipment

This item is requested to provide funds for rents and leases of equipment.

6880 Small Tools - Instruments

This item is requested to provide funds for the purchase of small tools, instruments and equipment that are individually under \$5,000.

6889 Software

This account provides funds for productivity software packages.

7052 Out of State Use Tax

This item budgets for use tax collected by the State of California on purchases from out-of-state vendors.

7201 Gas / Oil

Gas/Oil includes the costs of gas, diesel, and oil to operate the Agency's emergency generators.

7206 Equipment Usage Charge

This item is requested to provide funds for equipment usage.

7212 Chlorine Chemical / Recorder

This sub-object provides funds for the purchase of chlorine gas used in chlorinating water prior to transporting to customers. This sub-object also provides funds for caustic soda required by the pH system.

7217 State Permits / Fees

This item is requested to provide funds for various permits and fees required by the State for Agency operations.

7247 Water Conservation Program

PCAS No. 2319

This item is requested to provide funds for the Agency's water conservation and education programs. The Agency is currently implementing expanded water conservation programs with the Agency's prime water contractors to achieve a 6,600 acre foot reduction in water usage.

7277 Recycled Water Use Program

PCAS No. TBD

Under section 2.5 of Amendment No. 11 to the Master Water Supply Agreement, the Agency may undertake any cost effective water conservation measure that will reduce water demands on the Agency's Transmission System and that has been approved by the Water Advisory Committee (WAC).

Character:

Services and Supplies (continued)

Character No.:

675108-60

7296 FERC Fees / Costs

PCAS No. 2496-2

This item is requested to provide funds for fees paid to the Federal Energy Commission for licensing costs associated with the Agency's Hydro-Electric facility at Warm Springs Dam.

7302 Travel Expense

This item is requested to provide funds to cover the cost of travel expenses to meetings and seminars

by Agency staff.

7303 Private Car Expense

This item is requested to provide funds to reimburse employees for the use of their private vehicles.

7320 Utilities

This item is requested to provide funds for utility costs associated with water transmission system facilities.

7394 Power

The item is requested to provide funds for PG&E costs required to meet the pumping demands of the water transmission system and to operate other water transmission facilities including the Early Warning Stations. The Agency no longer has access to the 4.5 MW of temporary power allocation from WAPA, thereby forcing the Agency to utilize higher priced PG&E power. Additionally, PG&E has plans to increase its rates significantly, beginning July 1, 2001.

Character: Other Charges

Character No.: 675108-75

7980 Depreciation

This item is requested to provide appropriations for depreciation of the water transmission system buildings, improvements and equipment. All completed construction projects from Storage Facilities, Pipeline Facilities and Common Facilities are transferred to the Water Transmission fund upon completion and depreciation is booked in the Water Transmission fund. No expenditure of funds is made.

8010 Contribution to Non-County

This item is requested to fund the Business Environmental Alliance (BEA) to facilitate the development of practical programs that help businesses voluntarily adopt sound water conservation practices, while enhancing their financial performance.

Character: Fixed Assets

Character No.: 675108-85

8510 Buildings / Improvements

This item is requested to provide funds for replacement and or improvement projects that may need to be undertaken during the fiscal year.

8533 SCWA - New Metered Service

PCAS No. 2885 - 2894

This item provides funds for the installation of meters, turnouts and taps on the Agency's pipelines. Reimbursement for these expenditures is budgeted in 675108-3666, Meter Service / Installation.

8560 Equipment

This item is requested to provide funds for equipment purchases which may be identified during the fiscal year.

Character: Other Financing Uses

Character No.: 675108-86

8625 OT - W/in Special Dist - BOS

Transfer to capital improvement funds - per recommendation of the Water Advisory Committee, pursuant to the terms of the Master Water Supply Agreement.

Common Facilities Fund - Debt Service	\$285,000
Common Facilities Fund - Capital Projects	4,000,000
Storage Facilities Fund	2,000,000
North Marin Water Deposit	<u>341,098</u>

Total	\$6,626,098
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Character:	Appropriations for Contingencies	Character No.:	675108-90
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9000 Appropriations for Contingencies

This reserve is established for unanticipated costs which may arise during the fiscal year.

FY 2001-02 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Water Transmission

Section: Water Transmission System

Index No.: 675108

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$9,803,230	\$5,957,673	\$7,423,173
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	17,048,541	19,160,000	20,808,250
Expenditures - (Decrease) fund balance	(22,339,356)	(19,894,500)	(29,501,098)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(5,290,815)	(734,500)	(8,692,848)
Adjustments to Reserves/Encumbrances:			
Depreciation	2,106,645	2,200,000	2,500,000
Outstanding Encumbrances - (Decrease) Fund Balance	(661,387)		
B & I Transfers In	0		
Gain/Loss on Sale of Fixed Assets	0		
Proceeds from Assets Sold to ISF-Facilities Fund	0		
Net Adjustment - Increase/(Decrease) to Fund Balance	1,445,258	2,200,000	2,500,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	5,957,673	7,423,173	1,230,325
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$3,845,557)	\$1,465,500	(\$6,192,848)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/99</u>	<u>7/1/00</u>	
Cash	(\$5,423,424)	(\$2,919,710)	
Cash with Fiscal Agent/Trustee	15,207,102	8,735,790	
Accounts Receivable	1,906,034	2,658,536	
Deposits with Others	13,000	13,000	
Inventory of Materials and Supplies	191,483	197,381	
Due from Other Governments	0	0	
Accounts Payable	(1,024,404)	(954,570)	
Contract Retention Payable	(748)	(45,550)	
Encumbrances	(1,065,813)	(1,727,204)	
Total Beginning Fund Balance	\$9,803,230	\$5,957,673	